

**COMMONWEALTH OF KENTUCKY
ENVIRONMENTAL AND PUBLIC PROTECTION CABINET
OFFICE OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2007-AH-910**

IN THE MATTER OF:
BLUEGRASS MORTGAGE SERVICES, INC.

SETTLEMENT AGREEMENT

BACKGROUND AND FACTUAL FINDINGS

1. Bluegrass Mortgage Services, Inc. ("Bluegrass Mortgage Services") was previously licensed with the Office of Financial Institutions ("OFI") as a mortgage loan broker whose office was located at 7000 Houston Road, Suite 31, Florence, Kentucky 41042.

2. On August 16, 2007, an examination was conducted into the condition, workings and affairs of this location in order to determine whether: (1) it was in compliance with applicable laws and regulations; (2) its practices and policies had an adverse impact on prospective borrowers; and (3) it was being operated efficiently, fairly, and in the public interest.

3. In the course of that examination it was discovered that Bluegrass Mortgage Services, Inc. violated Chapter 286.8 of the Kentucky Revised Statutes by using an unlicensed and disallowed name. This was a repeat violation.

AGREEMENT AND ORDER

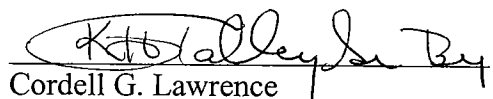
The Office of Financial Institutions and Bluegrass Mortgage Services, Inc. in the interest of economically and efficiently resolving the issues raised in the foregoing Background and Factual Findings, agree as follows:

1. In lieu of the imposition of a fine for the violations set forth herein, the parties hereby agree that Bluegrass Mortgage Services, Inc. shall make and tender (on or before

the date of execution of this Settlement Agreement) a voluntary monetary contribution to State Regulatory Agency, LLC, in the amount of two thousand five hundred dollars (\$2,500) to support the Nationwide Mortgage Licensing System, jointly sponsored by the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators, with said contribution being mailed or hand-delivered to Bill Matthews, Nationwide Mortgage Licensing System, 1155 Connecticut Ave. NW, Fifth Floor, Washington, D.C. 20036-4306, with a copy of the contribution check being mailed or hand-delivered on or before the date of execution of this Settlement Agreement to the Office of Financial Institutions, Attn: Jessica Sharpe, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601.

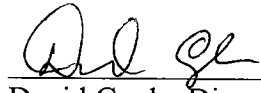
2. In regard to this matter, Bluegrass Mortgage Services, Inc. waives its right to demand a hearing, at which Bluegrass Mortgage Services would be entitled to legal representation, to confront and cross examine witnesses for the Office of Financial Institutions, and to present evidence on its own behalf. Further, Bluegrass Mortgage Services consents to and acknowledges the jurisdiction of the Office of Financial Institutions over this matter and that this Agreement is a matter of public record and may be disseminated as such.

IT IS SO ORDERED on this the 6th day of December, 2007.


Cordell G. Lawrence
Executive Director

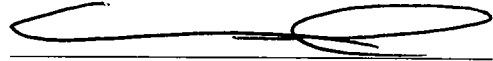
Consented to:

This 5th day of December, 2007



David Coyle, Director
Division of Financial Institutions
Office of Financial Institutions

This 19th day of November, 2007



Chris Eubank, President
Bluegrass Mortgage Services, Inc.